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**Civil Air Patrol**  
**Board of Governors Meeting Minutes**  
**(DRAFT)**  
7 June 2006  
Washington DC

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**Chairman, Civil Air Patrol Board of Governors**  
Lieutenant General Nicholas B. Kehoe, USAF (Ret)  
President, Congressional Medal of Honor Foundation

**Vice Chairman, Civil Air Patrol Board of Governors**  
Major General Antonio J. Pineda, CAP  
Civil Air Patrol National Commander

**Members**

Brigadier General Paul M. Bergman, CAP  
Member-at-Large

Major General Richard L. Bowling, CAP  
Member-at-Large

Lieutenant General John D. Hopper, Jr., USAF (Ret)  
CEO, Air Force Aide Society

Colonel Larry D. Kauffman, CAP  
Civil Air Patrol National Chief of Staff

Major General M. Scott Mayes, USAF  
Commander, First Air Force

Rear Admiral David R. Nicholson, USCG (Ret)  
Department of Homeland Security

Lieutenant General Charles J. Searock Jr., USAF (Ret)  
General Aviation & Technology Consultant

Major General John M. Spiegel, USAF (Ret)  
Booz Allen Hamilton, INC

Mister Bruce N. Whitman, President  
FlightSafety International Incorporated

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**Schedule**

CALL TO ORDER  
Lieutenant General Nicholas B. Kehoe, USAF (Ret)

PLEDGE OF ALLEGIANCE  
Major General Antonio J. Pineda, CAP

ROLL CALL  
Mr. Don R. Rowland

RECOGNITION OF NEW MEMBERS AND VISITORS  
OPENING REMARKS  
Lieutenant General Nicholas B. Kehoe, USAF (Ret)

CIVIL AIR PATROL BOARD OF GOVERNORS AGENDA

CLOSING REMARKS  
ADJOURNMENT  
Lieutenant General Nicholas B. Kehoe, USAF (Ret)

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**Agenda Item: 1**

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**Approval of Previous Minutes**

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**Background**

The BoG met last on 7 December 2005 in Washington DC. The June 2006 meeting of the Board of Governors is to review and approve the previous meeting minutes.

See **Appendix A** for the 7 December 2005 Board of Governors' meeting minutes.

**Proposed BoG Action**

That the Board of Governors votes to approve the 7 December 2005 minutes.

**Funding Impact**

None.

**Committee Recommendation**

None.

**BoG Action**

MAJ GEN SPEIGEL, USAF, (Ret) moved and MAJ GEN BOWLING, CAP, seconded a motion that the BoG approve the minutes of the 7 December 2005 minutes.

**THE MOTION CARRIED UNANIMOUSLY**

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**Agenda Item: 2**

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**CAP National Commander's Report**

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**Background**

Maj Gen Antonio Pineda, CAP, will discuss the following Civil Air Patrol issues, plus other items of interest since the last meeting of the Board of Governors.

- a. Update on CAP activities.
- b. Items referred by CAP's May 2006 National Executive Committee Meeting. (Discussion in attached Decision Papers)
  - 1. Constitution & Bylaw and Regulation Change  
Revisions to the CAP Membership Action Review Board (MARB)
  - 2. Constitution & Bylaw Change  
Term of Office for CAP Region and Wing Commanders
  - 3. Constitution & Bylaw Change  
Term of Office for CAP National Commander

**Proposed BoG Action**

To be determined.

**Funding Impact**

None.

**Committee Recommendation**

None.

**BoG Action**

- a. Update on CAP Activities

MAJ GEN PINEDA, CAP, presented a slide briefing covering an update of Civil Air Patrol activities, especially the interface with federal agencies with regard to CAP capabilities in the homeland security arena.

There was discussion on the progress of Memoranda of Understanding (MOU) with other agencies. Lt Gen Searock, USAF (Ret) expressed concern that Civil Air Patrol is not currently involved in border patrol activities. Rear Adm Nicholson, USCG (Ret) recommended a welcome letter to the new head of Customs and Border Protection outlining the capabilities of Civil Air Patrol with a copy to the Assistant Secretary for

Policy, Department of Homeland Security, which may expedite getting Civil Air Patrol involved in border patrol activities. Maj Gen Mayes, USAF, added that First Air Force would also help with some of the missionary work. Col Sheldon/AF/A3SHA added that the Air Staff is currently negotiating an MOU, which will hopefully be completed by this summer.

There was also discussion on CAP's proposal to purchase twin-engine aircraft to support the transport of pilots into and out of mission bases to support hurricane or other missions instead of flying personally-owned aircraft back and forth at great expense and potential liability. Maj Gen Mayes, USAF, stated that the value the Air Force gets out of CAP airplanes doing target missions is very cost effective. There was a question on the use of larger member-owned aircraft for this purpose and the cost of insurance arose. Col Hodgkins, USAF, Commander CAP-USAF explained that the Federal Tort Claims Act (FTCA) will cover third-party liability if a member has a mishap and damages another's property, but it does not and has never covered the member's own personal property. He felt the issue of member-owned aircraft and members' insurance companies providing hull insurance for their personal property while flying Air Force-assigned missions was not an issue. In fact, Col Hodgkins surveyed four major insurance companies and each stated their policies provided the coverage desired. Concern of added risk and cost to members was expressed. Col Hodgkins stated some kind of hourly reimbursement rate could be worked out to pay for any extra liability insurance costs. Col Kauffman, CAP, specifically asked what the Air Force would need from Civil Air Patrol to validate the need to buy one twin-engine aircraft. Col Hodgkins stated a requirement must be established followed by endorsement from the corporate Air Force structure validating this need. After the requirement is established, there has to be an analysis of options looking at material and non-material solutions. If the analysis determines a twin-engine aircraft is the most cost-effective way to meet that requirement, then you go forward to determine how to accomplish the mission. After that process, a determination would be made whether to purchase a twin-aircraft with appropriated funds, lease an aircraft, or find some other solution. CAP would have to provide a statement of need or requirement and an analysis that shows the aircraft intended for purchase is the most cost-effective way to perform target missions and movement of contingency pilots to support hurricanes and other disasters.

**FOLLOW-ON ACTION:** The Executive Director will develop the request and an update of actions taken will be provided at the Dec 06 BoG meeting.

LT GEN SEAROCK, JR., USAF (Ret) expressed concern about risk to Civil Air Patrol when members use member-owned aircraft to support approved missions. After discussion, Mr. Rowland, Executive Director, stated that he would detail the appropriate legal information in an interim report to the BoG.

**b. Items referred by CAP's May 2006 National Executive Committee**

THE CHAIRMAN stated that before considering these three items he felt it appropriate to discuss the process for making changes to the Constitution and Bylaws. He added that since the Constitution is the fundamental framework of any organization it is a fairly significant matter to change it. While these items may have been legally approved by the National Executive Committee, he noted that the Bylaw changes were not on the

agenda of the NEC nor were they presented to the National Board for consideration. He further noted that in a previous request to the BoG the National Board felt changes to the Constitution and Bylaws are significant enough that it wanted to be the body (not the BoG) to ratify changes as well as requiring a two-thirds vote to make changes. The BoG did not approve that request. There is an aura around Constitution and Bylaws changes that is quite significant. The BoG Chairman added that, before the BoG approves requested changes to the Constitution and Bylaws, he felt the board needs to be confident the changes represent the will of this volunteer organization in its fullest and broadest sense including the perception of a full review.

Several BoG members expressed opinions that a formal review by the National Board would provide the BoG with the advice of the full breadth of the organization.

There was further discussion on the role of the Constitution and Bylaws Committee and the process of the committee responding to what is referred to the committee from either the BoG, the National Board, or the NEC.

MAJ GEN SPEIGEL, USAF (Ret) MOVED and LT GEN HOPPER, USAF (Ret) seconded a motion that the three proposed changes to the Constitution and Bylaws referred by the May 06 NEC be remanded to the Constitution and Bylaws Committee for consideration and its advice be provided to the National Board at its next meeting. The recommendations of the National Board will be presented to the BoG at its December 2006 meeting for decision. Also, the BoG tasks the Constitution and Bylaws Committee to look at the present process for legal review of Constitution and Bylaws changes and make appropriate recommendations back through the National Board to the BoG. (NOTE: Lt Gen Kehoe, USAF, (Ret) read a clarification of the role of the Constitution and Bylaws Committee as not just to look at legal sufficiency but shall be responsible to review and make recommendations to the Board of Governors concerning any changes to the Constitution and Bylaws which are referred to it by the Board of Governors, the National Board, or any member of the Board of Governors or National Board or the Executive Director.)

#### **THE MOTION CARRIED UNANIMOUSLY**

FOLLOW-ON ACTION: Referral to the Constitution and Bylaws Committee, inclusion on the August 2006 National Board agenda, and inclusion on the December 2006 BoG agenda.



## DECISION PAPER

## ON

AMENDMENTS TO CAP CONSTITUTION:  
REVISIONS TO MARB

- **PURPOSE:** To obtain CAP Board of Governors (BOG) vote to amend CAP Constitution, Article XVI para 3, *Membership Action Review Board (MARB)*.

- **BACKGROUND:** The proposed Constitutional changes are indicated:

ARTICLE XVI - MEMBERSHIP ACTION REVIEW BOARD

3. The Membership Action Review Board shall be chaired by the National Legal Officer (or his/her designee) and shall consist of ~~the National Director of Leadership Development and Membership Services (or his/her designee)~~, three ~~three~~ four active senior members, in the grade of Colonel, not currently in the command or vice command of a region or wing. These ~~three~~ four members will be appointed by the National Commander, from a list of candidates provided by the National Executive Committee, and confirmed by the Board of Governors for an indeterminate term until his/her successor is appointed and confirmed. ~~Designees may serve only in the event the chair or named member is unable to participate.~~

Summary: The proposed change would replace a CAP employee from a decision making position on the MARB with a CAP volunteer member. General Counsel would be replaced by the Deputy Director, Personnel and Membership Services as the administrative arm of the MARB.

The NEC voted to propose this change to the BoG to ensure the MARB process is controlled by volunteers with only administrative support provided by the NHQ staff.

- **DECISION:** Vote to approve / disapprove change to the Constitution.

## DECISION PAPER

## ON

## TERM OF OFFICE FOR CAP REGION AND WING COMMANDERS

- **PURPOSE:** To obtain CAP Board of Governors (BOG) vote to amend CAP Constitution, Article XIV, paragraphs 1.e & f. to allow longer terms of service for both Region and Wing Commanders.

- **BACKGROUND:** NEC proposed changes to Article XIV, paragraphs 1.e & f. are as follows:

1. The terms of office for corporate officers are as follows:

e. Region commanders shall serve a four-year term and ~~are not eligible to succeed themselves~~ may be extended for up to three additional one year terms by the National Commander.

f. Wing commanders shall serve a probationary period of one year followed by a three-year term of office. The region commander may grant ~~an additional one-year term~~ up to three additional one-year terms with the concurrence of the National Commander. Any time during the probationary period, the region commander may remove the wing commander with or without cause and without a right of appeal except as provided in Article XVI.

The NEC proposes this amendment because a single term is considered inadequate to effect meaningful change and any commander considered to be doing a good job should be extended for a second term.

- **DECISION:** Vote to approve / disapprove amendment to the term of both the Region and Wing Commanders within CAP.

**DECISION PAPER****ON****TERM OF OFFICE FOR CAP NATIONAL COMMANDER**

- **PURPOSE:** To obtain CAP Board of Governors (BOG) vote to amend CAP Constitution, Article XIV, paragraph 1.a. to allow a second, concurrent term for the National Commander.

- **BACKGROUND:** NEC proposed change to Article XIV, paragraph 1.a. follows:

1. The terms of office for corporate officers are as follows:

a. The National Commander shall serve a ~~single~~, three-year term of office and shall ~~not~~ be eligible for reelection to a second, final term, to that office. The terms shall commence at the close of the general membership National Board meeting at which elected, and conclude at the close of the third general membership National Board meeting thereafter.

The NEC proposes this amendment because a single term is considered inadequate to effect meaningful change and any National Commander considered to be doing a good job should be allowed to run for a second, concurrent term.

- **DECISION:** Vote to approve / disapprove amendment to the term of office of the CAP National Commander.

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**Agenda Item: 3**

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**Executive Director's Update**

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**Background**

Mr. Don Rowland, Executive Director of CAP and Executive Secretary to the BoG, will update the BoG on the following items:

- a. FY06 Year-to-Date Review - Update only
- b. FY07 Corporate Budget - Decision required
- c. Line of Credit Review - Update only
- d. Investments - Update only

**Proposed BoG Action**

To be determined.

**Funding Impact**

To be determined.

**Committee Recommendation**

The CAP Finance Committee has reviewed the financial data presented and forwarded these items through CAP's National Executive Committee for presentation to the Board of Governors.

**BoG Action****DISCUSSION/ACTION:**

There was considerable discussion on training efforts and emphasis on an in-depth look at training to ensure that CAP has appropriate building blocks. There was a suggestion for a senior mentor program using senior retired military members at the local level. Also, Lt Gen Lorenz, Commander, Air University offered the service and assistance of the wide-range training of his command in any manner, other than with TDY costs. He asked that CAP let him know if there is a requirement for his assistance.

- a. FY06 Year-to-Date Review – Update only
- b. FY07 Corporate Budget – Action

COL KAUFFMAN, CAP, MOVED and MAJ GEN BOWLING, CAP, seconded a motion that the BoG approve the FY07 Corporate Budget, as presented.

**THE MOTION CARRIED UNANIMOUSLY**

- c. Line of Credit Review – Update only

**DECISION PAPER**  
**ON**  
**FY07 CORPORATE BUDGET**

- **PURPOSE:** To obtain approval of the CAP FY07 Corporate Budget.

- **BACKGROUND:** During each budget cycle, the BoG is asked to approve the CAP budgets. The FY07 Appropriated Budget was approved at the last meeting of the BoG. This meeting will seek approval of the FY07 Corporate Budget.

Budget is at Appendix D. Mr. Rowland will brief the significant adjustments to the FY07 budget as compared to FY06.

- **DECISION:** Approve the CAP FY07 Corporate Budget.

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**Agenda Item: 4**

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**Audit Committee Report**

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**Background**

The Civil Air Patrol Board of Governors Audit Committee normally meets twice a year in conjunction with the regular meeting of the Board of Governors. Brig Gen Bergman, Chairman of the Board of Governors' Audit Committee, will provide an update on recent activities and findings.

**Proposed BoG Action**

To be determined.

**Funding Impact**

To be determined.

**Committee Recommendation**

To be presented by Brig Gen Bergman.

**BoG Action**

BRIG GEN BERGMAN, CAP, presented the following action items from the Audit Committee meeting. The Audit Committee minutes are attached.

1. The Audit Committee recommended that the BoG endorse immediate CAP compliance with the Sarbanes-Oxley Act, which provides for anonymous complaints, as well as a records-retention system.

**THE BOG VOTED UNANIMOUSLY TO APPROVE THE AUDIT COMMITTEE RECOMMENDATION**

2. The Audit Committee recommended that the BoG endorse an Audit Committee mandated plan to extend the "Wing Banker Solution" (wing acting as banker for squadrons with assets over \$30,000) to other wings and establish a 3-year goal of obtaining an unqualified audit opinion.

**THE BOG VOTED UNANIMOUSLY TO APPROVE THE AUDIT COMMITTEE RECOMMENDATION**

3. The Audit Committee recommends that the BoG approve a change to the Investment Policy by (1) adding Standard and Poor's 3 star rating—in addition to Morningstar, (2) deleting the word "preferably," and the parenthesis for initial purchases. NOTE: The second bullet under Plan: Accumulation will read as follows: "The portfolio shall be

limited to mutual funds not less than a Morningstar or Standard and Poor's 3 star rating on the initial purchase, or Certificates of Deposit with less than a one year maturity date; fixed income investments such as corporate and government bonds, (preferably not less than a Standard & Poor's and/or Moody's rating of "A"); in no case less than S&P "BBB" or Moody's "Baa", certificates of deposit, treasuries and when necessary, cash."

**THE BOG UNANIMOUSLY VOTED TO APPROVE THE AUDIT COMMITTEE RECOMMENDATION**

4. The Audit Committee recommends that the BoG endorse the Wilson Price contract option for 2006 which allows three option years remaining on contract and authorizes Wilson Price to perform the 2006 financial audit and A-133 Single Audit.

**THE BOG UNANIMOUSLY VOTED TO APPROVE THE AUDIT COMMITTEE RECOMMENDATION**

5. The Audit Committee recommends that the BoG approve the appointment of Wilson Price as the sole national external auditor, which will ensure that the financial statements are accurate and consistent in presentation.

NOTE: A quote of expected additional costs will be provided by Wilson Price. Also, a determination will be made to ensure that no other auditor is already under contract with any of the wings.

**THE BOG UNANIMOUSLY VOTED TO APPROVE THE AUDIT COMMITTEE RECOMMENDATION**

6. The Audit Committee recommends that the BoG approve the 2005 Single Audit (September 30, 2005) for forwarding to the clearing house by the due date of June 30, 2006. It was pointedly noted that this is the first time in the history of Civil Air Patrol that the Single Audit has been accomplished on time.

**THE BOG UNANIMOUSLY VOTED TO APPROVE THE AUDIT COMMITTEE RECOMMENDATION**

The BoG also noted the significance of the first on-time filing of a Single Audit and extended congratulations to the National Headquarters staff.



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**Agenda Item: 5**

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**AF/A3SHA Update on the Status of CAP Initiatives**

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**Background**

Col Sheldon, AF/A3SHA, will present an update on the status of the previously developed CAP Initiatives, "Top 12 Points."

**Proposed BoG Action**

To be determined.

**Funding Impact**

To be determined.

**Committee Recommendation**

None.

**BoG Action**

COL SHELTON, AF/A3SHA presented a slide briefing updating the status of CAP initiatives. A copy of the slide briefing is at Appendix D.

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**Agenda Item: 6**

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**Civil Air Patrol Foundation**

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**Background**

Mr. Gordon Odell, Headquarters Civil Air Patrol General Council, will update the Board of Governors on activities concerning the Civil Air Patrol Foundation. (Discussion in attached Decision Paper)

**Proposed BoG Action**

To be determined.

**Funding Impact**

To be determined.

**Committee Recommendation**

None.

**BoG Action**

MR. ODELL/NHQ/GC presented an update on activities of the Civil Air Patrol Foundation. See discussion in attached decision paper.

THE CHAIRMAN clarified that the BoG is responsible for overseeing everything relating to Civil Air Patrol. He added that the BoG doesn't have any control over the Foundation that has been formed, but the BoG does have oversight over anything that CAP does or persons in CAP or CAP money that is used. The foundation is of interest to the BoG because a lot of what it does requires CAP corporate assistance.

**DECISION PAPER****ON****CIVIL AIR PATROL FOUNDATION, INC.**

**- PURPOSE:** To update CAP Board of Governors (BoG) regarding progress on establishment of the CAP Foundation.

**- BACKGROUND:** The Civil Air Patrol Foundation, Inc. was established as an independent non-profit, non-private foundation controlled by CAP, to receive contributions, bequests, gifts, etc. Funds will be invested and made available to support CAP programs and members' participation in CAP programs. The Foundation will support and fund CAP activities not supportable by appropriated funds or corporate dues. It will provide a vehicle to accept large donations, planned giving and estate gifts.

**- PROGRESS:**

-- Civil Air Patrol Foundation, Inc. was incorporated on April 19, 2006.

-- The first meeting of the Board of Directors was held May 13, 2006 to coincide with the meeting of CAP's National Executive Committee. The following is a draft of the minutes of that meeting:

First meeting of the Board of Directors, 13 May 2006, Atlanta, GA

Present were:

<u>Name</u>	<u>Position</u>
Antonio J. Pineda	Initial Chairman of the Board
Larry D. Kauffman	Member, Initial Board of Directors
Richard L. Bowling	Member, Initial Board of Directors
Paul M. Bergman	Member, Initial Board of Directors
Frederick K. Weiss	Member, Initial Board of Directors
Gordon W. Odell, Jr.	General Counsel

The following actions were each voted upon and elected/decided upon unanimously:

1. The Initial Directors, identified in the Articles of Incorporation, elected the same individuals to serve as the first elected members of the Board of Directors.
2. The Board adopted the Bylaws of the corporation.

3. The following were elected as officers of the corporation:

<u><b>Name</b></u>	<u><b>Position</b></u>
Antonio J. Pineda	President
Richard L. Bowling	Secretary
Frederick K. Weiss	Treasurer

4. The meeting was adjourned.

-- In progress: The application to obtain Alabama charitable status is completed and the Internal Revenue Service application is being drafted.

- **DECISION:** None required.

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**Agenda Item: 7**

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**Litigation Update**

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**Background**

Mr. Gordon Odell, Headquarters Civil Air Patrol General Council, will update the Board of Governors on the status of litigation involving the Civil Air Patrol. (Discussion in attached Decision Paper)

**Proposed BoG Action**

To be determined.

**Funding Impact**

To be determined.

**Committee Recommendation**

None.

**BoG Action**

MR. ODELL/NHQ/GC presented an update on the status of litigation. See discussion in attached decision paper.

**DECISION PAPER**  
**ON**  
**GC LITIGATION UPDATE**

- **PURPOSE:** To update Board of Governors on status of lawsuits against CAP
- **BACKGROUND:** Three current lawsuits against CAP. Details will be provided during BoG meeting. Any discussion on strategy employed or resolution of suits will require a closed-door session.
- Campbell v Civil Air Patrol
- John Doe v Civil Air Patrol, et. al
- North Carolina Aircraft Accident Litigation
- **DECISION:** None required

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**Agenda Item: 8**

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**Membership Action Review Board Update**

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**Background**

The Membership Action Review Board (MARB) was established by the Constitution as a board of final review for adverse membership actions taken by commanders at all levels. It has the authority to independently review demotions, removal from command, membership suspensions in excess of 60 days, and membership terminations. It has jurisdiction when a member claims that the adverse membership action was motivated by retaliation, reached without due process, or involved a material failure to follow applicable CAP regulations; and has the authority to affirm, reverse, or modify in favor of the member, the final adverse membership action. The Board of Governors has requested the MARB report on recent activities.

Mr. Gordon Odell, Headquarters Civil Air Patrol General Council, will report on the activities of the MARB.

**Proposed BoG Action**

To be determined.

**Funding Impact**

To be determined.

**Committee Recommendation**

None.

**BoG Action**

MR. ODELL/NHQ/GC presented an update on the status of actions taken by the Membership Action Review Board. A written report was submitted and is attached.

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**Agenda Item: 9**

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**Other Business**

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**Background**

All other business brought to the table by members of the Board of Governors.

**Proposed BoG Action**

To be determined.

**Funding Impact**

None.

**Committee Recommendation**

None.

**BoG Action**

MR. ROWLAND, Executive Secretary, briefed that National Headquarters is changing its 401K plan from one vendor to another. Following the yearly review of the plan, it was determined that the current plan does not meet some of the company requirements. The change-over will not cost anything to CAP or the employees. However, he was notified within the last week by the trust company holding the current plan that he needed to certify that he had board resolution to make the change. He apologized for not being aware of this requirement earlier so that this item could have been included in the agenda. He provided the required resolution.

MAJ GEN BOWLING, CAP, MOVED and COL KAUFFMAN, CAP, seconded that the BoG approve the following RESOLUTION:

BE IT RESOLVED, that as of \_\_\_\_\_, Central Bank and Trust Co. is hereby relieved of their duties as Trustee of Civil Air Patrol Employees Savings Trust, and State Street Bank and Trust is hereby appointed as successor Trustee being vested with all rights, powers, duties, privileges and immunities as Trustee as if they had originally been designated as Trustee of this Trust. However, until effective date of the transfer of assets, Central Bank and Trust Co., will remain custodian of Civil Air Patrol Employees Savings Trust.

FURTHER, State Street Bank and Trust, as Trustee is hereby authorized and empowered to act on behalf of Civil Air Patrol Employees Savings Trust.

**THE MOTION CARRIED UNANIMOUSLY**



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**Agenda Item: 10**

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**Next Meeting**

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**Background**

The BoG normally meets twice a year. In 2006, the proposal is to conduct the last meeting of the year on Wednesday, 6 December 2006 in the Washington DC area. (Discussion in attached Decision Paper)

**Proposed BoG Action**

That the Board of Governors vote to approve Wednesday, 6 December 2006 as the next meeting date and that it be held in the Washington DC area.

**Funding Impact**

To be determined

**Committee Recommendation**

None.

**BoG Action**

**THE BOG APPROVED THE PROPOSED MEETING DATE.**

**DECISION PAPER**  
**ON**  
**NEXT BOG MEETING**

**- PURPOSE:** To obtain Board of Governors (BoG) approval for their next meeting date and location.

**- BACKGROUND:**

- BoG is chartered to meet at least twice during the calendar year
- Historically meetings are held in June and December
- Last item on each BoG agenda is normally the selection of the next meeting date
- NHQ recommends the next meeting date of Wednesday, 6 December, 2006 in the Washington DC area

--- There are no national holidays or other significant events that would conflict with this date

**- DECISION:** Select Wednesday, 6 December 2006, Washington DC, as the next BoG meeting date and location.

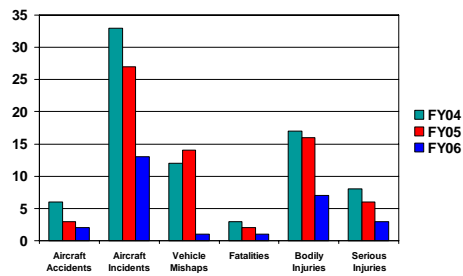
# APPENDIX A

## 7 December 2005 BoG Meeting Minutes

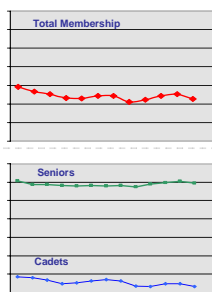
# APPENDIX B

## CAP National Commander Report

### Safety



### Current Membership Snapshot



**56,566 Members**

	Seniors	Cadets	Total
Apr 05	34,114	23,717	57,831
Apr 06	33,897	22,669	56,566
Yr/Yr	- 1%	- 5%	- 2%

### New Corporate Uniform

- Adopted by Mar 06 National Board
  - Optional uniform combination
  - Provides a more professional appearance
- CAP distinctive service coat approved by May National Executive Committee
  - Headgear mandatory
  - Must meet grooming standards

Items brought to the BoG from the  
May 2006  
National Executive Committee  
Meeting

Revision to MARB

- Deletes Corporate employee from membership on MARB
- Replaced by CAP Colonel appointed by the National Commander
- Membership would consist of:
  - National Legal Officer – Chair
  - Four active senior CAP members
- Requires change to Constitution & Bylaws

Term of Office for  
Region & Wing Commanders

- Proposal:
  - Region Commanders – serve a four year term and may be extended for up to three additional one year terms by the National Commander
  - Wing Commanders – serve a four year term and may be extended for up to three additional one year terms by the Region Commander with the concurrence of the National Commander
- Requires change to Constitution & Bylaws

Term of Office of the CAP  
National Commander

- Proposal:
  - National Commander shall serve a three year term of office and shall be eligible for reelection to a second, consecutive and final term, to that office.
- Requires change to Constitution & Bylaws

# APPENDIX C

## CAP Executive Director Update

### Outline

- EX's Assessment
- NHQ Updates
- CAP-USAF/CAP Relationship
- Challenges
- FY06 Budget Revisions
- FY07 Corporate Budget Presentation

### EX's ASSESSMENT

- Staffing
- Financial Accountability
- Financial Stability
- Safety
- Operations
- Cadet Programs
- Aerospace Education
- Chaplain Program
- Professional Education
- CAP-USAF Relationship

### NHQ Reorganization

- Staff Reduced 25%
  - \$\$ Driven with Director decisions
  - Reorganized to maintain programs
  - Shifted some responsibility to volunteers
  - Employees informed in early January
    - Reorganization plan announced late February
  - Transition period/few issues
- Morale improving

## Retention Issue

**56,675**

**Non-renewals since June 2003**

### Top Three Reasons Members Leave CAP

1. Poor leadership
2. Lack of training
3. Lack of meaningful activities and/or duty assignments

## Professional Development

- ESTABLISHED COURSES

- **CADET OFFICER SCHOOL**  
Develop cadet leaders
- **TRAINING LEADERS OF CADETS**  
Inspire adults who lead cadets
- **NATIONAL STAFF COLLEGE**  
Nurture mid-level leaders
- **REGION & WING COMMANDERS COURSE**  
Promote strategic planning and leadership responsibilities
- **AEROSPACE EDUCATION OFFICER SCHOOL**  
Motivate AE Officers to excel; focuses on responsibilities, programs and products

## Professional Development

- COURSES/MATERIALS CURRENTLY BEING REVISED

- **LEVEL I ORIENTATION AND CADET PROTECTION**  
Establish solid foundation for new members
- **SQUADRON LEADERSHIP SCHOOL**  
Stimulate squadron performance
- **CORPORATE LEARNING COURSE**  
Learn major duties and responsibilities of the wing
- **CAP INSTRUCTOR PROGRAM**  
Develop instructors through Distributed Learning (on-line only) with Air Force DL Institute support
- **LEADERSHIP TEXT**  
Improve leadership skills for all members
- **AEROSPACE EDUCATION EXCELLENCE**  
Provide hands-on aerospace activities for all members:  
examples – build model aircraft and launch rockets

## Training Revisions

- Increased Training Dollars with salary fallout

- \$950K = 58% increase – FY 06
- Offset Glass Cockpit/SDIS/ARCHER training

- “Training” broadened to include

Professional Development activities

- Cadet orientation flights
- National Cadet Competition
- National Staff College
- Cadet Officer School

## 1 AF Integration

- Participated in 2006 Ardent Sentry Support
  - Nationwide Homeland Security Exercise
- Liaison officer on-site
  - Coordinates for CAP
- CAP Chief of Chaplains
  - Attended NORAD Conf April 2006
- WMIRS Web
  - Interface for mission approvals

## 2006 Hurricane Preparedness

- Hot wash / Lessons Learned
- Improved FEMA funding process
- National Response (not regional or wing)

### 2005 CAP Hurricane

#### Support Yielded:

1000+ air sorties: transport, recon,  
imagery

130+ ground team missions

CISM personnel counseled victims,  
rescue workers

## Aircraft Sales

Over 100 aircraft will be sold

- Offsets Cessna deliveries
- Also offsets 16 Gippsland GA-8s
- Fleet resized to 530

## Consolidated Maintenance Demonstrations

- **Goals**
  - Ensure cost “reasonableness” IAW DoDGARs and OMB Circulars
  - Provide better, more consistent maintenance
  - Reduce wings’ financial accounting burden
- **2 tests: NER & SER**
- **Utilizing “lessons learned” to produce a contract suitable for use in other locations**



## Line of Credit

- Advance funding for all appropriated expenditures became available due to new accounting system
- Cash Management Policy implemented to manage federal funds in accordance with DoDGARs and OMB Circulars
- Corporate expense for Line of Credit expenditures decreased from \$55,896 in fiscal 2005 to \$15,151 in fiscal 2006

## Line of Credit

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Borrowed</li> <li>• 12/14/05: \$200,000<br/>Year-end procurement</li> <li>• 12/16/05: \$100,000<br/>Year-end procurement</li> <li>• 12/22/05: \$100,000<br/>Year-end procurement</li> <li>• 12/28/05: \$1,001,489<br/>Payroll &amp; Operating expenses (Delayed funding from DFAS)</li> <li>• 2/16/06: \$320,000<br/>Operating expenses (Delayed funding from DFAS)</li> </ul> | <ul style="list-style-type: none"> <li>• Repaid</li> <li>• 1/5/06: \$666,728</li> <li>• 1/12/06: \$300,000</li> <li>• 1/13/06: \$434,761</li> <li>• 2/17/06: \$320,000</li> </ul> <p>Outstanding Balance: \$-0-</p> <p>Interest Paid YTD: \$15,151</p> <p>FY 05 Interest Paid \$55,896</p> |
|---|--|

## Current Financial Snapshot

### Investments

As of 30 May 06

	Market Value	Income YTD
Restricted Funds*	\$0	\$2,454
Unrestricted Funds	\$3,175,071	\$67,079
Donor Restricted Funds	\$171,212	\$2,924
<b>Totals</b>	<b>\$3,346,283</b>	<b>\$72,457</b>

\*AMA/APA Liquidated

## CAP-USAF Relationship

- Greatly improved team effort/work environment
- Work CAP issues jointly
- Formal weekly meeting

## Challenges

- Inconsistent Advocacy at different levels
- Stable funding
  - POM issues
  - Still listed as 592, Misc. Contract Services
  - Mission funding issues (MIPRs)
- Membership
  - Leadership shortfalls
  - Meaningful duty assignments / Mission shortfalls
  - Training

## FY06 Appropriated Budget

49% O&M funds executed as of 3 May 2006 (on target)

### Changes

- 25% Staff reduction
- Flight Training increased 58% - \$950,000

## FY06 Corporate Budget

57% executed as of 30 April 2006 (on target)

### Changes

- Membership income based on 31 March 06 actual
- Transition Corporate Partnership to Program Development
- Glider Orientation Flights now paid with appropriated funds

## Corporate Budget Comparison FY06 to FY07

- Budget: +14%      FY06 = \$2,054,998      FY07 = \$2,349,855
- New Sources of Income:
 

	NCASE – Biannual Conference	\$140,000
	Picture ID Cards	\$ 38,000
	Corporate Learning Course	\$
7,280	Squadron Leadership School	\$ 12,480
	Commission Income – Vanguard	\$ 60,000
- Increased Costs:
 

CAP Magazine	+ 15%
Cash Reserve Fund	+ 139%
Program Development	+ 54%
- Decreased Costs:
 

Glider Orientation Flights	- 100%
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(paid with appropriated funds)

# APPENDIX D

## FY06 Budget Year-to-Date

# APPENDIX E

## FY07 Corporate Budget Recommendation

# APPENDIX F

## AF/A3SHA Update on the Status of CAP Initiatives

### **Headquarters U.S. Air Force**

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## **Air Staff Update**

Colonel Curt Sheldon  
Chief, Air Force Auxiliary Division

### **Overview**

- 12 Points Update
- Completed Staff Actions
- On-going Staff Actions
- Issues/Questions

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### **12 Points Update**

#### **Closed Items**

FECA/FTCA Coverage	Closed
Legislative Proposal, CAP the Resource of Choice	Closed
FAA Exemptions	Closed
Civil Air Patrol Glider Program	Closed
Wing Administrators in Every Wing	Closed
Fully funded National Operations Center	Closed
Stabilized Funding for Civil Air Patrol	Closed
Location of CAP-USAF in AF Structure	Closed
Regulations Promulgated IAW 10 USC 9448	Closed
USAF Approval of CAP CONEMP	Closed

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## 12 Points Update Open Items

Item	Status
Problems with AFI 65-601	CAP-USAF drafted/submitted rewrite AU staffing complete At AETC Anticipate no problems
Program Narrative (SOW)	CAP-USAF/CAP NHQ personnel trained Restarted Continue to work through summer Goal: new SOW for FY 07

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## Completed Staff Actions

- Cadet Orientation Flights Approved for AFAM Status
- CAP Identification Card Approved
- Hosted CAP National Board for Pentagon Briefings
  - Lt Gen Chandler; AFNORTH/CV; AFNSEP; HLS CONOPS; and A3SHA All Conducted Briefings
- Met with SAF/FMB Concerning Status of CAP as Party to a Cooperative Agreement versus Contractor
- Article About CAP Included in SOS/ASBC Readings

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## On-Going Staff Actions

- Developing "Standard" MOU and Coordinating MOUs with:
  - NOAA
  - CBP
  - TSA
- Working with A8 and FM concerning CAP FYDP
- Interim Change to AFI 10-2701 to Ensure Unity of Effort for DSCA
  - Preparing for two digit coordination
- Working with CAP-USAF/AETC to Develop "UTC's" for AFAux

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